GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1128
ANSWERED ON:07.03.2002
SELF SUFFICIENCY IN PRODUCTION OF OIL AND GAS
PRABHAT KUMAR SAMANTARAY

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the targets fixed to achieve self-sufficiency in the production of oil and gas during Ninth Plan period has since been achieved;

(b) if so, the details thereof and if not, the reasons therfor; and

(c) the steps taken by the Government to attain self-sufficiency in the production of oil and gas?

Answer

Minister of State in the Ministry of Petroleum & Natural Gas and Minister of State in theMinistry of Parliamentary Affairs (Shri Santosh Kumar Gangwar)

(a) to (c) : A statement is attached.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Unstarred Question No. 1128 to be answered on 7.3.2002 regarding self-sufficiency in production of oil and gas

(a) and (b): The targets set for production of crude oil and natural gas during the IX Planperiod are 180.71 million metric tonne (MMT) and 144.53 billion cubic metre (BCM), respectively. The likely achievements in the said period are expected to be 162.71 MMT of oil and 141.25 BCM of gas.

The main reasons for the shortfall are given below:

i) Oil and Natural Gas Corporation Ltd. (ONGC)

- Delay in implementation of Enhanced Oil Recovery projects in Balol and Santhal heavy oil fields in Gujarat.
- Environmental problems in the North Eastern Region
- Less potential than envisaged in Hazira and Neelam fields.

ii) Oil India Ltd.

- Land acquisition problems in Assam leading to infrastructure constraints.
- Environmental problems in Assam, like frequent bandhs, blockades and miscreant activities.
- Less than planned contribution from drilling wells.
- Early water breakthrough in a few reservoirs leading to higher decline rate than anticipated.
- Shutdown of Hindustan Fertilizers Corporation Limited for more than 4 months leading to curtailment of non-associated gas production in Assam.
- Shutdown of Rajasthan State Electricity Board Power Plant at Ramgarh since October 2001 leading to bringing down of gas production to an almost negligible level in Rajasthan.

iii) Private/Joint Venture Companies.

- Delayed drilling and completion of wells, installation and platforms.
- Closure of high Gas-Oil-Ratio (GOR) wells in some of the fields.
- Reduction in reserves of PY-3 fields.
- Shut down of Ravva field for 3 months in 1998-99.

(c) : Given the increasing demand for the petroleum products and the current level of import dependence of around 70%, it is difficult to envisage self-sufficiency in the near future. However, several important steps have been taken to increase oil and gas production, which include the following :

(i) to improve the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes; in particular Oil and Natural Gas Corporation Limited (ONGC) has taken up 15 fields for this purpose at an estimated investment of Rs. 10,000 crore, which would also help in accelerating oil production from these fields.

(ii) to increase exploration efforts through the New Exploration Licensing Policy (NELP). Under the first and second rounds of NELP, Production Sharing Contracts (PSCs) have been signed for 47 blocks.

(iii) to attract technology and investment, PSCs for 9 discovered fields, 8 in Gujarat and 1 in Assam, were signed on 23.2.2001 with consortia of Indian and foreign companies.

(iv) to explore in new areas, especially in deep water and difficult frontier areas, as also explore in the deeper layers of the producing fields.

(v) to develop faster the newly discovered fields and to step up the use of new technologies for seismic surveys, work over, stimulation operations, drilling of wells etc. in producing areas.

(vi) to acquire acreages abroad.